

Mr. B. L. Pendleton

SIXTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS.

OF THE

CENTRAL SOUTHERN RAILROAD

Company,

TO THE

STOCKHOLDERS,

1861.

NASHVILLE, TENN.:

J. O. GRIFFITH & COMPANY, PRINTERS.

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Central Southern Railroad Company.

BOARD OF DIRECTORS.

THOMAS MARTIN, <i>Giles County.</i>	WM. PERRY, Sr., <i>Giles County.</i>
BENJ. CARTER,	ALBERT BUFORD, "
THOS. K. GORDON,	WILLIAM J. DALE, <i>Maury County.</i>
G. A. REYNOLDS,	JAMES T. MOORE, "
NEWTON WHITE,	GILES T. HARRIS, "
C. P. REED,	J. BALLANFANT, "
C. N. ORDWAY,	JOHN FRIERSON, "
S. W. FITZPATRICK, <i>Marshall County.</i>	

OFFICERS.

THOMAS MARTIN, Pulaski, *President.*
JOHN BAIRD, Columbia, *Sec. and Treas.*
W. O'N. PERKINS, Nashville, *Gen. Supt.*
D. J. JOHNS, Columbia, *Engineer.*

Office of the Company, at Columbia, Tenn.

R E P O R T.

To the Stockholders of the Central Southern R. R. Company:

In pursuance of the charter of the Central Southern Railroad Company, making it the duty of the President and Directors to submit a statement annually to the Stockholders, of the condition and operation of the road, the following expose is made.

It will be seen from the report of the Secretary and Treasurer, that the total cost of the road, including salaries of officers, and interest accounts, up to the 1st October, 1861, amounts to \$1,-169,967 68, or \$24,589 50 per mile. The original estimate of the Engineers from the preliminary surveys was \$1,141,209, exclusive of ballast—this estimate, however, was reduced by an increase of grade, and a decrease in the width of cuttings and embankments, so that the last estimate of cost made by the Engineers in October, 1858, after all the road had been let to contract, was \$1,088,203 14, inclusive of ballast; or \$81,764 54 less than the amounts charged to construction.

This discrepancy between the last estimate and the actual cost, is easily reconciled by referring to one item of the Treasurer's Report, charged under head of "State Loan, Interest and Exchange", amounting to \$96,687 88, and which includes all losses sustained on State Bonds, and the interest paid to the State, up to 1st July, 1861, inclusive. This is an item of cost common to all roads in Tennessee, and although never reckoned in the estimates of Engineers, and perhaps not always so charged in the accounts of the Companies, should, nevertheless, be charged to construction until the completion of the road. Deducting this amount from that reported in the present instance, it makes the cost of the road \$1,073,279 80, showing the Engineers to have been singularly correct in reducing the cost to \$22,580 per mile, for which few if any roads in this State have been built.

It will be seen also, from the report of the Treasurer, that the floating debt of the Company is \$105,550 60, with means on hand of \$27,086 71, reducing the amount unprovided for to

\$78,443 89 ; this is another item common to all roads in Tennessee, and arises in most cases as in *ours*, not from any mismanagement or misapplication of means, but want of capital. The original means of the Company were as follows:

Individual subscription, payable in cash,	\$123,800 00
Giles County,.....	275,000 00
Corporation of Columbia,.....	30,000 00
Contractors subscriptions, payable in work,	68,063 86
State Loan,.....	534,000 00
 Making the whole amount,.....	 \$1,030,863 86
Which deducted from the cost of the road,.....	1,169,967 68
 Leaves a deficit of,.....	 \$139,103 82
Which has been reduced by transportation receipts to 1st October, 1861,.....	60,659 93
 Leaving a balance still in excess of means of,	 \$78,443 89

The amount of means on hand charged as \$27,086 89, will not realize that sum by \$7,000 or \$8,000, and there are still a few miles of ballast to be added to the cost of the road, but the above statement is sufficient to show how deficient the road has been in capital. Had there been \$100,000 more subscribed at the beginning it would now have been paying a dividend, but as it is, stockholders will have to wait patiently until the debt we owe is discharged from the receipts for transportation.

Another item in the report of the Treasurer to which attention is called, is that of "Scrip." This debt was originally \$305,000 the amount of Giles county and Columbia subscription, and is payable either in transportation or in the capital stock of the Company, as the owner may elect. A large portion of the Giles county tax payers have entered into an obligation to commute it for stock, and \$54,815 22 have already been so commuted on the books of the Company ; leaving a balance of \$250,184 78 still outstanding. The reasons are many why the owners of the Scrip should promptly merge their claims in the capital of the Company. First the road bed and rolling stock must be kept in the most efficient condition, so as to dispose of all the business which may accumulate along the line without delay, and in the most economical manner. In the next place, the interest on the State loan must be promptly paid, or a receiver will be appointed

to take charge of the road, until the State claim for interest is paid; and in the third place, the floating debt of the Company must be paid as soon as possible. We might urge these positions at considerable length on the consideration of Scrip holders; but it is confidently believed that the citizens of Giles county, who have voluntarily taxed themselves to build this great work of internal improvement, will not be found wanting, nor deficient in apprehending their true interest, by at once surrendering their tax receipts and receiving certificates of stock, which in point of intrinsic value and convertibility are now and will at all times be equal to the tax scrip. To the owners, the tax receipts will be found on experiment difficult to use in payment of transportation, and as they can only be used locally, local rates for transportation will have to be paid; these on all roads are higher than through rates, consequently the scrip can never be of equal value in such payments, as those made with money. Let all holders of tax receipts surrender them and receive in their place stock certificates, and soon dividends will be paid on the entire investment. The citizens of the counties of Giles and Maury have greatly honored themselves by the construction of so important and valuable work of internal improvement without the aid of one dollar contributed out of their limits, and we feel sanguine that they will take the course herein recommended with their tax receipts, and perfect the good work so gloriously begun.

Much attention during the current year has been paid to ballasting, to securing deeds to all the real estate belonging to the Company, to keeping the road-bed in order, and preparing to house the hands in its service, and we are pleased to say, that before the close of the present year, the Company in these respects will be well organized, and prepared further to perfect its organization. Many of those subjects will be more particularly explained by the report of D. J. Johns, who has had in charge most of these subjects, and to whose intelligence and fidelity a debt of gratitude is due from the stockholders.

Attention has been particularly given to the adjustment of all questions in dispute between the Company and the citizens through whose lands the road passes—to settle all claims for damages, and where it has been at all advisable the parties have been approached and adjustments made. On this subject there are but a few questions of a vexatious character to be settled, and now that the act of limitation shields the Company, all apprehensions of losses or claims from this fruitful source of trouble to corporations may not further be apprehended.

A renewal of the agreement between the Tennessee and Alabama Railroad, and the Alabama and Tennessee Central, has been agreed on to extend from the 1st July, 1861, to the 1st July, 1862. Trains continue to pass over the line from Nashville to Decatur, under this understanding, which has not yet been consummated by the signature of the President of the Tennessee and Alabama Railroad, but we presume it will be given at the next monthly meeting of the Executive Committee. There is much to be said in favor of this arrangement. It certainly secures a larger amount of through transportation than could be obtained without it, and it is a great relief to passengers to be freed from the trouble of exchanging cars and in looking after their baggage. I however will advance the thought, that the independent organization of the Central Southern Railroad under its own superintendent, whose sole business it shall be to look after its interest, and promote more fully facilities to the way of local travel, to the establishment of a first class machine-shop on the line of the road, is indispensable to making provisions to supply the wants of the Company. We can manufacture all of our rolling stock as well as we can have it done elsewhere, if we will only prepare to have the work done. We already have at Columbia preparation to some extent to accomplish this object, and under the care of C. B. Knowls, Esq., our chief mechanic, we have repaired our locomotives and cars, as well and as cheaply as we could have had done elsewhere. And I must not fail to bring to your notice the claims and character of Mr. Knowls; in all respects he has filled his position to the satisfaction of the directors, and is entitled to the most ample compensation the Company can pay to any one in his position.

A contract was made with Zachariah Parker to cover with tin the bridges over Richland Creek and Robertson Fork, and to have them boarded up in the exact manner of the bridge over Elk River. The present political difficulties of the country have rendered it almost impossible to procure tin, with which to cover the bridges, and this contract will have to lay over until a more propitious season.

Application has been made by J. W. Sloss, President of the Alabama and Tennessee Central Railroad, for a subscription on the part of this road, of twelve hundred dollars, payable in monthly instalments, in order to enable the Mountain Railroad Company to maintain its forces on the road during the next twelve months, dating from the 1st Jany., 1862. The stockholders have the operatives engaged and they ask this assistance to aid them in securing supplies for their subsistence. The Moun-

tain Railroad when finished, will connect with this line of roads at Decatur, and with the view of placing the stockholders more fully in possession of the arguments in favor of this subscription, I request the Secretary to read the letter addressed to him by Mr. Sloss, when they can determine this question understandingly.

At Decatur we are daily experiencing losses and inconveniences for the want of a more perfect and valuable Southern outlet, which will in a great measure be overcome by the extension of this line of railways to Montgomery, Alabama. When this is done, we will not so materially feel the effects of the interest of the Memphis and Charleston Railroad, in preferring to have freights to pass over their road, via. Stevenson to Nashville.

The report of W. O'N. Perkins, Superintendent of the Nashville and Decatur Railroad Line, will show the operation of the transportation department, and which presents an encouraging view of its business and progress. Had this line of roads possessed a more ample supply of rolling stock, the business of the last ten months would have been still more gratifying. This difficulty we have found impossible to overcome although efforts to do so have been faithfully tried.

It affords us great pleasure to acknowledge the high appreciation we entertain of the services of Mr. Jno. Baird, the Secretary and Treasurer of the Company. It would be difficult to find a more efficient officer, and we feel sure that the business of no Railroad Company in the State has been more accurately and scientifically kept, and we take additional pleasure in ascribing to him much of the staple of the present Annual Report.

THOMAS MARTIN, *President.*

SUPERINTENDENT'S REPORT.

SUPERINTENDENT'S OFFICE,
Nashville, Sept. 30, 1861. }

Col. Thomas Martin, President:

DEAR SIR: I herewith submit a report of the operations of the transportation department of the Central Southern Railroad, for the year ending September the 30, 1861.

Earnings.

From Freight,.....	\$36,423 03
" Passengers,.....	47,677 21
" Mail,.....	3,782 54
" Troops,.....	4,371 65
" Use of Cars,.....	277 41
" Use of Engines,.....	912 30
	—————
	\$93,444 14

Expenses.

For Enginemen and Firemen,	\$3,677 21
For Conductors, Baggagemen and Brakes- men,.....	3,470 96
For Wood and Water Station Attend- ance,	647 20
For Wood, first cost and labor,.....	4,585 78
For Oil and Waste,.....	1,210 05
For Repair of Locomotives,.....	2,125 67
For Repair of Cars,.....	5,585 03
For Repair of Shop Tools and Machin- ery,	38 85
For Repair of Track,.....	84 18
For Repair of Road Bed,	14 40
For Repair of Buildings and Fixtures,..	62 96
For Repair of Bridges,.....	4 32
For Watching Bridges,.....	112 50

For Office Expenses,.....	493	10
For Stationery and Printing,.....	981	75
For Agents and Clerks,.....	3,765	19
For Station Labor,.....	326	61
For Superintendence,.....	713	72
For Loss, Damage and Overcharge,....	264	94
For Machine Shop,.....	925	78
For Repair Force,.....	4,625	21
For Incidentals,.....	518	88
	<hr/>	
	\$34,234	29
Less work done for other roads,.....	654	39
	<hr/>	
Net Earnings,..		\$33,579 90
	<hr/>	
Net Earnings,..		\$59,864 24

Every effort has been made to keep down the expense account consistent with the proper preservation of the road and rolling stock.

By examination you will see that the transportation expenses have been less than almost any other road, of the same length, and doing the same amount of business.

On Wednesday, November the 21st, 1860, your road was completed to the Alabama Line, and on the next day, November the 22d, the cars ran over the whole Line for the first time.

On that day an agreement entered into by the Tennessee and Alabama, the Tennessee and Alabama Central Railroads, and your road, went into operation under the name of the Nashville and Decatur Railroad Line, extending from Nashville, Tennessee, to Decatur, Alabama, a distance of one hundred and twenty-two miles.

Without time to effect an organization, many difficulties had to be encountered and overcome in putting into operation this new road, not to be met with in any other.

The complication of its operations, made it necessary to adopt peculiar forms, blanks, books and accounts, with which none of the agents were familiar, and by which many little errors and troubles would necessarily arise. And commencing upon a new track to which no time had been allowed to settle, and upon which heavy rains commenced falling the same day the trains were started, continuing for eight or ten days, some irregularities in the trains was expected to occur and some damage to the cars accrue.

But I can confidently say, that after operating the line for one

or two months, no road of the same length, and of the same number of trains, either new or old, has run with more regularity, and with fewer accidents. Rarely ever has a connection been lost, nor has there ever been an injury to any passenger.

We have endeavored by close attention and untiring application and strict enforcement of discipline, to make the line a pleasant, safe and popular route, and I hope our labor has not been in vain. Having attentive, polite and courteous agents and conductors, the number of our passengers, and the amount of the receipts has had a healthy increase ever since the line was opened.

Our greatest desire, and the one to which our greatest efforts have been exerted, has been to make it a paying road; to this end we have left no stone unturned, spared no labor, and have never shunned inconvenience, or avoided fatigue, but have devoted ourselves exclusively to what we considered the interest of the line; how we have succeeded will appear from the statement of earnings and expenses.

If you will remember that much the larger proportion of the earnings have been derived from through freights and through passengers, and ascertain at what small cost it was done, you will at once see the great benefit derived by the consolidation, imperfect as it was.

Add the earnings from through freight and through passengers together, and deduct the amount from the gross receipts, and you will find all the profits to have been derived from the consolidation.

In the distracted condition of the country, the almost entire failure of the crop of the last year, and the great scarcity of money for the first seven months of the year, without the consolidation of the line, neither one of the roads in interest, would more than have made enough to defray its transportation expenses.

I have no doubt but thousands of dollars might have been saved to each of the Companies in interest, if a more perfect consolidation could have been satisfactorily adjusted and agreed upon.

The country along the line of your road having been blest with an unusual fine harvest, and the demand for the products being equal to the supply, a fine local and through business has sprung up, giving to your road more business than it could accommodate; having a small supply of freight cars, I have found it utterly impossible to meet the demands that have been made, and now nearly all of your station-houses are filled with freight. But for a fortunate arrangement made with the Mississippi Central and New Orleans roads, it would have been impossible to have carried forward the

crops of the country, and even that arrangement will only give your road a partial relief.

I am satisfied that the Nashville and Decatur Railroad line, of which your road is a part, has failed to make in the last ten months at least two hundred thousand dollars, that was offered and would have been made, but for the small supply of rolling stock. The line is greatly indebted to the officers of the Memphis and Charleston Railroad, for their kindness in letting us use, free of charge, many of their cars, by which your receipts has been considerably increased.

By the articles of agreement, forming the Nashville and Decatur Railroad line, all of the cars, both passenger and freight, belonging to the three roads have been thrown into common stock, being first valued by competent and disinterested parties. Making the rolling stock of the line to consist of: 36 box cars, 14 stock cars, 26 platform cars, 11 passenger and baggage cars.

From which you will see at once the insufficiency of cars to do the business required. The greatest wonder is, that the line has done so much work with so few cars.

If the business continues and the number of cars is not largely increased, what we now have will necessarily be run down—wood and iron cannot stand the heavy demand.

I would recommend the putting in of a good side track, at the Alabama State Line, and the erection of buildings at that point, suitable to the preservation of your engines and comfort of the employees who are required to stay there.

The trestle work and bridges on your road require some repairs which should be done at once.

The agents and employees of your road have done well, and deserve the thanks of the Company for their promptness, fidelity and energy.

Respectfully submitted,
W. O'N. PERKINS,
General Superintendent.

ENGINEER'S REPORT.

To the President and Directors Central Southern Railroad Company:

GENTLEMEN: On the 21st day of November, 1860, the track of your road was connected at Prospect Station, and on the 22d, the trains commenced running through from Nashville to Decatur. For about three months after the track was connected, it took nearly the entire road force to keep the track in condition for the passage of trains. Since then there has been a large force ballasting and ditching. There are now about three miles of track to ballast south of Pulaski, and three and a half north, most of the track south of Pulaski, can be ballasted by Christmas. By employing about thirty hands next year you can complete the ballasting and put the track in fine condition early in the season, after which they could commence filling the trestles.

The bridges have not been covered, as there could be no tin procured for the roofs. I think it would be economy to cover them as soon as lumber can be sawed and seasoned, and use for the roof two thicknesses of thin poplar or linn plank, the plank to be dressed and the roof painted; such a roof would protect the bridge and would not be likely to take fire from sparks for several years.

There has been a water-tank put up at the south end of the tunnel, that is supplied by a spring, it will afford sufficient water for the locomotives, excepting in a very dry season, when it may be necessary to use some water from the tank at Pulaski.

The tank at Lyttle's Creek ought to be removed to Hurricane, so it can be supplied by the hands engaged on repairs.

A freight house and platform have been put up at Hurricane. There is no house at Richland, nor house or platform at Aspen Hill. There is no shelter for the engines at the State line, I think it would be well to build one and a room for the comfort of the enginemen and firemen.

Contracts have been made for building the division houses, for the repair force, at Hurricane, Wales and Aspen Hill, and the houses at Hurricane are nearly completed. All can be completed before Christmas.

I think you ought to build a smoke-house at one of the division houses, say at Hurricane or Wales, so as to lay in a supply of meat at the beginning of the year.

All of which is respectfully submitted,

D. J. JOHNS,
Engineer.

TREASURER'S REPORT.

OCTOBER 1, 1861.

MEANS.

Cash subscriptions—unpaid.....	\$12,734 35
Construction " "	85 06
Bills receivable.....	2,129 37
State bonds.....	8,000 00
Mail service.....	863 64
Tennessee and Alabama Central Railroad.....	41 95
Cash.....	8,232 34
	<hr/>
	\$27,086 71
Local work construction—to wit:	
Clearing and grading.....	\$330,021 13
Masonry.....	30,459 90
Bridging.....	54,371 05
Cross ties and track timber.....	43,141 26
Ballast	27,000 55
Cattle guards.....	3,828 36
Right of way.....	2,949 41
Depot and station buildings.....	2,707 36
Engineering department.....	32,050 84
Contingencies.....	30,963 35
Road force.....	2,303 75
	<hr/>
	\$559,796 96
Track and equipment construction:	
Rails.....	\$282,931 68
Spikes and fastenings.....	32,328 47
Frogs and switches.....	3,240 15
Turn-tables.....	3,188 54
Tracklaying	22,790 42
Track tools.....	172 41
Locomotives.....	58,171 10
Freight cars.....	25,794 89
Passenger cars.....	8,768 59
Road and hand cars.....	735 80
Water stations.....	1,232 15
Shop tools and machinery.....	682 90
Machine shops and engine houses.....	6,442 10
Depot and station buildings.....	10,899 11
State loan, interest and exchange.....	96,687 88
Incidentals.....	2,872 55
Elk river bridge.....	58,231 98
	<hr/>
Tennessee and Alabama Railroad.....	\$610,170 72
	<hr/>
	\$7,381 69
	<hr/>
	\$1,204,436 08

LIABILITIES.

Capital stock.....	\$254,060 77
Scrip.....	250,184 78
State loan.....	534,000 00
Bills payable.....	\$80,237 39
Construction bonds.....	17,355 58
Contractors and individuals.....	7,937 63
Transportation.....	\$105,580 60
	\$60,659 93
	<hr/>
	\$1,204,436 08

RECEIPTS.

Balance per last report.....	\$882 73
Subscriptions.....	\$25,493 26
Dis., interest and exchange.....	1,183 92
Bills payable.....	23,982 92
Thomas Martin.....	17,638 51
Engine wood.....	209 75
Office expenses.....	10 00
State loan, interest and exchange.....	240 00
Transportation.....	75,834 78
Bills receivable	140 25
	<hr/>
	\$144,683 39
	<hr/>
	\$145,566 12

DISBURSEMENTS.

Contractors and construction accounts.....	\$32,324 58
Bills payable.....	37,423 88
Construction bonds.....	10,254 31
Road force.....	1,978 47
State loan, interest and exchange.....	31,588 60
Dis., interest and exchange.....	540 78
Thomas Martin.....	367 70
Transportation.....	27,855 76
	<hr/>
Balance.....	\$142,333 78
	3,232 34
	<hr/>
	\$145,566 12

JOHN BAIRD, *Secretary and Treasury.*

